CONTENTS

Page

VOLUME I

ACCEPTANCES

§ 1. Definition of acceptance 1
§ 2. Acceptance of incomplete bill 1
§ 3. Necessity for acceptance 1
§ 4. Where agent draws on principal acceptance unnecessary 2
§ 5. —Agent personally liable 2
§ 6. Liability of acceptor 2
§ 7. —Acceptance obtained by fraud .. 3
§ 8. Form of acceptance 3
§ 9. —Acceptance must be in writing .. 3
§ 10. —Acceptance by telegraph 4
§ 11. Retention of bill as acceptance 4
§ 12. Refusal to accept 5
§ 13. General acceptance 5
§ 14 Qualified acceptance 6
§ 15. Conditional acceptance 6
§ 16. Promise or agreement to accept .. 6
§ 17. Acceptance of bills in a set 7
§ 18. Acceptance for honor 7
§ 19. Acceptance for benefit of customer 8
§ 20. Acceptance by corporation 8
§ 21. Accommodation acceptance 8
§ 22. Negotiability of acceptance 8
§ 23. Bank dealing in acceptances 8
§ 24. Conflict of laws

ACCOMMODATION PAPER

§ 25. Definition of accommodation paper 9
§ 26. Rights of accommodation maker or indorser 9
§ 27. Agreement to indorse for accommodation 10
§ 28. Accommodation paper of corporation — authority to issue 11
§ 29. —Liability of corporation on accommodation paper 11
§ 30. —Rights of innocent holder 11
§ 31. —Notice of Accommodation character of note 11
§ 32. —Liability of corporate officer 11
§ 33. Accommodation paper of partnership — authority to issue 12
§ 34. —Rights of innocent holder 12
§ 35. —Notice of accommodation character of partnership paper 12
§ 36. —Liability of partner 12
§ 37. Accommodation paper signed by agent 12
§ 38. Accommodation paper of national banks 12
§ 39. Accommodation paper of married women 13
§ 40. Conflict of laws 13
§ 41. Liability to party accommodated .. 14
§ 42. Liability to parties other than the one accommodated 15
§ 43. Paper transferred after maturity .. 17
§ 44. Liability of accommodation acceptor 18
§ 45. Rights of accommodation indorser against accommodation acceptor 18
§ 46. Indorsement for identification 18
§ 47. Paper signed for accommodation after delivery 18

Page

§ 48. Rights of co-indorsers 19
§ 49. Note for accommodation of minor 19
§ 50. Note given to deceive bank examiner 19
§ 51. Accommodation indorsement as guaranty of genuineness 21
§ 52. Effect of extension of time as to accommodation maker 22
§ 53. Effect of extension of time as to accommodation indorser 22
§ 53.4. Stay of proceedings against accommodation maker 22
§ 54. Effect of surrender of collateral .. 23
§ 55. Diversion of accommodation paper 23

ACCORD AND SATISFACTION 23

ACKNOWLEDGMENTS 23

ADMINISTRATORS 23

AGENTS

§ 56. Agent's authority 23
§ 56.5 Agent's liability separate from principal's 26
§ 57. Agent's authority to indorse 26
§ 58. Personal liability of agent on note 29
§ 58.5. Liability of undisclosed principal .. 30
§ 59. Mingling principal's funds with agent's 30
§ 60. Liability of bank assisting agent in market transactions 30
§ 61. Bank acting as investment agent .. 30

ALTERED PAPER

§ 62. Alterations held immaterjal 31
§ 63. Material alterations 32
§ 64. —Altering date 34
§ 65. —Altering time of payment 34
§ 66. —Altering place of payment 34
§ 67. —Alteration as to parties 35
§ 68. —Alteration as to interest 35
§ 69. —Reduction of principal or interest 36
§ 70. —Alterations as to medium of payment 37
§ 71. —Detaching paper 37
§ 72. Alteration of instrument secured by mortgage 37
§ 73. Alteration of non-negotiable paper 37
§ 74. Alteration of postdated check 38
§ 75. Alteration without wrongful intent 38
§ 76. Liability of drawee to drawer 38
§ 77. Right of drawee bank to recover money paid on altered check .. 39
§ 78. Right to recover from collecting bank 40
§ 79. Rights of drawer where check fraudulently raised 41
§ 80. Duty of drawee to give notice 41
§ 81. Duty of drawer in preparing check 41
§ 82. Rights of holder in due course 41
§ 83. Rights of acceptor where bill altered 43
§ 84. Effect of maker's assent 43
§ 85. Alteration of corporate note by president 43
§ 86. Check drawn on safety paper 43
§ 87. Burden of proof 43

Page

AMOUNT
§ 88. Construction of instruments ambiguous as to amount ... 44
§ 89. Note not stating amount actually loaned void ... 45

ANTEDATED AND POSTDATED INSTRUMENTS
§ 90. Validity ... 45
§ 91. Payment ... 45
§ 92. Purchaser a holder in due course 45
§ 92.5. Banking as subject to laws ... 46

APPEAL
§ 93. Clause waiving right to appeal ... 46

ASSIGNMENTS
§ 94. Assignment of bill or note ... 46
§ 94.5. Assignment of accounts receivable 47
§ 95. Assignment of contract ... 48
§ 95.5. Assignment of claims against U. S. 49
§ 95.6. Assignment of wages ... 50
§ 95.7. Assignment for benefit of creditors 50
§ 96. Assignment of deposit ... 50
§ 97. Assignment of interest coupon ... 50
§ 98. Notice of assignment ... 50

ATTACHMENT, GARNISHMENT AND EXECUTION
§ 99. Property subject to attachment ... 51
§100. Priorities between different parties 52
§101. Scope of garnishment ... 53
§102. HOLC subject to garnishment process ... 53
§103. Liability of bank as garnishee ... 53
§104. Property subject to garnishment ... 54
§105. —Funds deposited in bank ... 55
§106. —Contents of safe deposit box ... 56
§107. Execution ... 57

ATTORNEY'S FEES
§108. Provision in instrument for attorney's fees held invalid ... 57
§109. Provision in instrument for attorney's fees held valid ... 58
§110. Liability of indorser for attorney's fees ... 59
§111. Recovery of attorney's fees ... 59
§112. Conflict of laws ... 60

BAD CHECK LAW ... 60

BAILMENTS ... 60

BANK EXAMINER ... 60

BANK OFFICERS ... 60

BANKING
§113. Definition of bank ... 61
§113.1. Bank holding companies ... 62
§114. Adoption and change of name ... 62
§115. Use of word "bank" ... 63
§116. Agreement not to engage in the banking business ... 63
§117. Power to create a bank ... 64
§118. Reorganization of bank as trust company ... 64
§119. State control of banking business ... 64
§119.1. Prohibiting payments by banks to nationals of foreign countries ... 68
§119.5. Federal control of banking business 69
§120. Constitutionality of regulatory laws 70

Page

§121. Discretion of authorities in issuing charter ... 71
§122. State Control of private bankers ... 72
§123. Right to engage in savings bank business ... 73
§124. Bank examinations ... 73
§125. Banking powers ... 74
§126. —Borrowing money ... 75
§127. —Practicing law ... 75
§128. —Acting as guarantor ... 78
§129. —Insurance business ... 79
§130. —Real estate business ... 79
§131. Each bank department a separate entity ... 80
§132. Merger and consolidation ... 80
§133. Forfeiture of bank charter ... 81
§134. Changing place of business ... 81
§135. Restoring impaired capital ... 81
§135.5. Right to make out-of-state loan ... 81
§136. Doing business in a foreign state ... 81
§136.5. Liability for tort ... 82
§136.6. Right to sue foreign government 82
§137. Criminal liability ... 82

BANKRUPTCY
§138. Appointment and powers of receiver — superintendent of banks ... 83
§139. Setting aside of adjudication in bankruptcy ... 85
§140. Deposit and withdrawal of funds 85
§141. Application of collateral ... 85
§142. Preferences within four months of bankruptcy ... 86
§143. —Intent to give preference ... 89
§144. Recovery of money paid by insolvent estate ... 89
§145. Priorities among creditors ... 90
§146. —Depositors ... 94
§147. —Deposits of trust funds ... 98
§148. —Funds held by bank as fiduciary 99
§149. —Deposits made when bank insolvent ... 100
§150. —Special deposits held preferred claims ... 103
§151. —Special deposits held not preferred claims ... 106
§152. —Deposits of public moneys not entitled to preference ... 107
§153. —Deposits of public moneys entitled to preference ... 108
§154. —Estate funds ... 109
§155. —Holder of certificate of investment ... 110
§156. —Holder of certificate of deposit ... 110
§157. —Holder of check ... 111
§158. —Holder of certified check ... 112
§159. —Holder of cashier's check ... 112
§160. —Holder of draft not entitled to preference ... 114
§161. —Holder of draft entitled to preference ... 115
§162. —Letter of credit ... 117
§163. —Cases involving failure of collecting bank where preference allowed 117
§164. —Cases involving failure of collecting bank where no preference allowed ... 119
§165. —Check deposited under escrow agreement ... 121
§166. Rights of depositors under statute 121
§167. Fee of court clerk on deposit of bonds ... 122

Page

§168. Dividends 122
§169. Filing claims 123
§170. Claims provable 123
§171. Recovery of money by receiver 124
§172. Deposits withdrawn when bank insolvent 124
§173. Transfer by bank in failing condition 125
§174. Right to recover bonds "hired" to bank 125
§175. Assisting insolvent bank 125
§176. Assuming liabilities of insolvent bank 126
§177. Reorganization 126
§178. Liability of receiver 127
§178.5. Negotiable instruments generally 127
§179. Stabilization and readjustment agreement 127

BILLS IN A SET
§180. Bills in a set 127

BILLS OF LADING
§181. Validity and construction of provisions in bill of lading 128
§182. Negotiability of bill of lading 128
§183. Effect of transfer of bill of lading 128
§184. Criminal liability for issuing forged bill 129
§185. Liability of carrier to bona fide holder of fraudulent bill of lading 129
§186. Liability of carrier to bank where goods delivered without taking up bill 129
§187. Liability of a carrier to consignee 130
§188. Liability of carrier to shipper 130
§189. Liability of bank surrendering bill without collecting attached draft 131
§190. —Time and sight drafts 132
§191. Liability of bank negligently delivering bill 132
§192. Liability of bank assisting in unauthorized negotiation of bill 132
§193. Rights of discounting bank as against creditor of shipper 133
§194. Rights of pledgee bank as against true owner of goods 134
§195. Liability of bank where shipment not according to contract 134
§196. Liability of bank where bill forged 135
§197. Consignee accepting bill bound to honor draft 136

BLANK SPACES 136

BLUE SKY LAW
§198. Constitutionality 136
§199. Violation 136

BONA FIDE HOLDERS 136

BONDS
§200. Power to issue 136
§201. Negotiability 137
§202. —Negotiability of coupons 137
§203. Validity 137
§204. Presentment for payment 139
§205. Bidding for bonds 139
§206. Sale of bonds 139
§207. Agreement to repurchase bonds 139
§208. Rights of parties 139
§209. —Lost or stolen bonds 141
§209.5. Bonds intentionally destroyed 142

Page

§210. Bonds in excess of constitutional or statutory limitation 142
§211. Medium of payment 142
§212. Dealing in foreign bonds 142
§213. Effect of incorrectly naming obligee 142
§214. Past due municipal bonds 142
§214.1. U. S. Savings Bonds — form of registration 142
§214.2. Rights of co-owner of bonds 143
§214.5. Validity of pledge of U. S. Savings bonds to bank 143
§214.6. Joint Stock Land Bank bonds 143

BOOKS 143

BRANCH BANKING
§215. Bank as separate entity 143

BROKERS
§216. Liability of brokers 145
§217. Commissions 146

BUILDING AND LOAN ASSOCIATIONS
§218. Decisions involving associations 146

BULK SALES LAW 147

CAPITAL
§219. Restoring impaired capital 147

CARRIERS 147

CASHIER 147

CASHIER'S CHECKS 147

CERTIFICATES OF DEPOSIT
§220. Definition of certificate 147
§221. Authority of bank or trust company to issue 147
§222. Authority of officer to issue 148
§223. Form of signature 148
§224. Negotiability 148
§225. —Certificate must be payable to order or bearer 149
§226. —Medium of payment 149
§227. —Effect of interest clause 149
§228. —Time of payment 150
§229. Maturity of certificate 150
§230. Demand for payment 150
§231. Presentment of certificate to charge indorser 151
§232. Payment of certificate 151
§233. —Certificate payable in Mexican money 152
§234. Collection or payment of certificate on forged indorsement 152
§235. Stopping payment 152
§236. Bond of indemnity before paying lost certificates 152
§237. —Where certificate payable to order 153
§238. —Where certificate non-negotiable 153
§239. Collection of certificate 153
§240. Interest 153
§241. Rights of holder 154
§242. Certificates fraudulently issued 154
§243. Certificate issued by mistake 155
§244. Liability of party signing to give credit 155
§245. Transfer of certificate in trust 155
§246. Failure to report certificate as a crime 155

CERTIFIED CHECKS
§247. Authority to certify checks 156

		Page
§248.	Obligation of bank to certify	156
§249.	Effect of certification	156
§250.	Certification at instance of drawer	157
§251.	Certification at instance of holder	157
§252.	Certification by drawer at payee's request	158
§253.	Certification at instance of third party	158
§254.	Certification of trade acceptance	158
§255.	Written or verbal certification	158
§256.	Payment of check as certification	158
§257.	Certification on separate paper	159
§258.	Certification by telegraph	159
§259.	Certification by telegraph and telephone	160
§260.	Retention of check as certification	160
§261.	Certification by mistake	161
§261.1.	Certification of note	161
§262.	Certification of stopped check	161
§263.	Certification of postdated check	161
§264.	Certification of overdraft check	162
§265.	—Rights of bona fide holder	162
§266.	—Rights of bank against securities	162
§267.	Overcertification as criminal act	162
§268.	Certification of unindorsed check	163
§269.	Certification of altered, forged and fraudulently obtained paper	163
§270.	Check raised after certification	164
§271.	Negotiation of canceled certified check	165
§272.	Cancellation of certified check	165
§273.	Demand on certified check	165
§274.	Statute requiring certified check with bid	165
§275.	Payment of stolen certified check	165
CHATTEL MORTGAGES		166
CHECKS		
§276.	Essentials of a valid check	166
§277.	Cashier's checks	166
§278.	—Injunction against payment	167
§279.	Check does not operate as an assignment	167
§280.	Telegram equivalent to check	169
§281.	Holder of check cannot sue drawee bank	169
§282.	Where check may operate as an assignment	169
§283.	Revocation of check—drawer's death	170
§284.	—Payment of check after drawer's death	170
§285.	—Check payable after drawer's death	171
§286.	—Failure of drawer	171
§287.	—Insanity of drawer	171
§288.	Liability to holder	171
§289.	Lost check	171
§290.	Check for less than one dollar	172
§291.	Theft by check	172
§292.	Printing pictures of public buildings on checks prohibited	172
CHRISTMAS CLUB		172
CLEARING HOUSES		
§293.	Clearing House rules	172
§293.5.	Validity and time of presentment through the clearing house	173
§293.6.	Clearing House; payment, returns and reimbursement	173
§294.	Return of check or note under clearing house rule	173
§295.	Action by unincorporated clearing house	174
§296.	Dissolution of clearing house association	174
COLLECTIONS		
§297.	Duties of collecting bank; liability for negligence generally	175
§298.	—Contract against negligence	181
§299.	—Collection by circuitous route	181
§300.	—Lost paper; duty to make inquiry	181
§301.	—Taking steps to charge prior parties	182
§302.	—Liability for negligence of attorney or notary in making protest	183
§303.	—Refund after collection	183
§304.	—Collection through clearing house	184
§305.	Collection should be made in cash	184
§306.	—Effect of custom to receive something other than cash	186
§307.	—Where check taken presentment must be prompt	187
§308.	Agreement to collect in cash	187
§309.	Par collections	187
§310.	Collection in exchange under Federal Reserve Regulations	189
§311.	Collection in exchange under statute	189
§312.	Collection of check drawn by mistake for too large an amount	189
§313.	Mailing check direct to drawee bank	189
§314.	—Under statute	191
§315.	—Where drawee only bank in town	191
§316.	—Effect of custom	191
§317.	—Where depositor assents or ratifies	192
§318.	—The New York decisions	192
§319.	Mailing certificate of deposit direct to issuing bank	193
§320.	Sending draft to individual drawee	193
§321.	Collecting bank liable for its correspondents' negligence or default	193
§322.	—Liability under statute	194
§323.	—Bank not liable in such cases	194
§324.	—Where depositor authorizes employment of specified agent	195
§325.	—Contract against liability	195
§326.	Liability of bank collecting on pass book to real owner	196
§327.	Failure of bank connected with collection transaction; rights of parties	196
§328.	Effect of paster on check deposited for collection	200
§329.	Title of collecting bank	200
§330.	Right to revoke credit or charge back check	203
§331.	—Where payment stopped	205
§332.	—Raised check	206
§333.	—Check lost in mail	206
§334.	Personal liability of officers	206
§335.	Collection of draft in interstate transportation of liquor	206
§336.	Validity of Bank Collection Code	206
CONDITIONAL NOTES		
§337.	Conditional notes	206
CONFLICT OF LAWS		
§337.5.	Validity of note	207
CONSIDERATION		
§338.	Definition of consideration	207
§339.	Necessity for consideration	207

Page

§340. Presumption of consideration 207
§341. —Non-negotiable instrument 208
§342. Instances of sufficient consideration 208
§343. —Commercial paper 212
§344. —Antecedent debt. 212
§345. —Debt of third person 213
§346. —Outlawed debt 213
§347. Instances of insufficient consideration 213
§348. Illegal consideration 214
§349. Instruments given to avoid criminal prosecution 215
§350. Instruments given in gambling transactions 216
§351. —Rights of holder in due course .. 217
§352. Want or failure of consideration .. 217

CONSTITUTIONAL LAW
§353. Power to declare a law unconstitutional 220
§354. National Labor Relations Act constitutional 220
§355. Minimum Wage Law constitutional 221
§355.1. —In general 221
§356. Commodity Exchange Act constitutional 221
§356.1. Morris Plan Law constitutional .. 221
§356.2. Trust Receipts Act constitutional .. 221
§357. Syndicalism Law unconstitutional .. 221

CONTRACTS
§358. Necessity for delivery 221
§359. Validity 221
§360. —Obtaining signature by fraud .. 222
§361. Construction 223
§362. Contract of minor 223
§363. Public contract 224
§364. Liability for damages 224
§365. Christmas savings club agreement 225
§366. Cancellation of contract 225
§367. Contract to support 226

CORPORATIONS
§368. Powers of corporations 226
§369. De facto corporations 227
§370. Foreign corporations 227
§371. Authority of corporate officers 227
§372. —Authority to issue and indorse negotiable paper 228
§372.5. Bank resolutions 229
§373. Compensation of officers 230
§374. Liability of officers 230
§375. Officers executing notes held not personally liable 230
§376. Officers executing corporate notes held personally liable 231
§377. Admissibility of evidence to fix liability on corporate note signed by officers 232
§378. Effect of seals on corporate notes 233
§379. Liability of officer on check 233
§380. Using corporate assets to pay debts of directors 233

COUPONS 233

CREDIT BUREAUS 233

DECEDENTS' ESTATES 233

DEEDS
§381. Delivery in escrow 233
§382. Construction 234
§382.5. Deeds of trust 234

Page

DELIVERY
§383. Necessity for delivery 234
§384. Presumption of delivery 235
§385. Incomplete instrument filled out and negotiated without having been delivered 236
§386. Conditional delivery 237
§387. Delivery in escrow 238
§388. Proof of delivery 239

DEPOSITS
§389. Definition of deposit 240
§389.1. Night depository agreement 240
§390. Relation between bank and depositor 240
§391. Obligation to receive deposits 242
§392. Security for deposits — national banks 242
§393. Security for deposits — state banks 244
§394. Liability of cashier on bond to secure deposits 247
§395. Notice not to pay deposit 247
§396. Liability for deposit received by clerk 247
§397. Disclosure of depositor's balance .. 247
§398. Effect of crediting deposits 248
§399. Bank entitled to written demand .. 249
§400. Deposits by mail 250
§401. Deposits made when bank insolvent — civil liability of officers 250
§402. —Criminal laibility of officers 251
§403. —Application of statute to national bank 252
§404. General deposits 252
§405. Special deposits 253
§406. —Bank's liability for stolen property 256
§407. —Bank held not liable 260
§408. —Rights of special depositors on failure of bank 261
§409. Deposits made outside of bank .. 261
§410. Public deposits 261
§410.1. Night deposits 264
§411. Deposits by attorney 264
§412. Deposits by corporate officials and other agents 265
§413. —Principal's checks indorsed and deposited in agent's account . 268
§414. —Deposit of checks signed by agent 271
§415. Deposits by partner 272
§416. Deposits by executors and administrators 272
§417. Deposits by trustees 274
§418. Deposits by trustee in bankruptcy 278
§419. Deposits by guardians 279
§420. Deposits by minors 281
§421. Deposits of insane persons 281
§422. Deposits of absentee 281
§423. Deposits in assumed name 282
§424. Deposits by one person in name of another 282
§425. Deposits in two names — United States 284
§425.1. —Alabama 285
§425.4. —Arkansas 285
§426. —California 285
§426.1. —District of Columbia 285
§427. —Connecticut 285
§427.1. —Florida 286
§428. —Georgia 286
§429. —Illinois 286
§429.1. —Indiana 286

Page

§430. —Maine ... 287
§431. —Maryland ... 287
§432. —Massachusetts ... 288
§433. —Michigan ... 288
§433.1. —Minnesota ... 289
§434. —Mississippi ... 289
§435. —Missouri ... 289
§435.1. —New Hampshire ... 289
§436. —New Jersey ... 290
§437. —New York ... 291
§438. —North Carolina ... 295
§439. —North Dakota ... 295
§440. —Ohio ... 295
§441. —Oklahoma ... 296
§442. —Pennsylvania ... 296
§443. —Rhode Island ... 297
§444. —South Carolina ... 297
§445. —Utah ... 298
§445.2. —Virginia ... 298
§446. —Washington ... 298
§447. —Wisconsin ... 298
§448. —Survivor entitled to fund — United States ... 298
§449. —Alabama ... 298
§449.1. —Arkansas ... 298
§450. —California ... 299
§451. —Colorado ... 299
§451.1. —Florida ... 299
§452. —Illinois ... 299
§453. —Iowa ... 299
§453.1. —Louisiana ... 300
§454. —Maryland ... 300
§455. —Massachusetts ... 300
§456. —Michigan ... 301
§457. —Minnesota ... 302
§457.1. —Mississippi ... 302
§457.2. —Missouri ... 302
§457.3. —Nebraska ... 302
§458. —New Jersey ... 302
§458.1. —New Mexico ... 303
§459. —New York ... 303
§460. —Ohio ... 305
§460.1. —Oregon ... 306
§461. —Pennsylvania ... 306
§461.1. —Rhode Island ... 306
§461.4. —Utah ... 307
§461.5. —Vermont ... 307
§462. Deposits in trust ... 307
§463. —Valid gift or trust through medium of trust deposit ... 311
§464. —Rule in New York as to tentative trusts ... 313
§465. Unclaimed deposits ... 314
§466. Selling information as to unclaimed deposit ... 316
§467. Furnishing statements of account and returning paid checks ... 316
§468. Deposits in wrong name ... 317
§469. Payment of deposit to wrong person 317
§470. Deposit confiscated by foreign government ... 318
§471. Proving deposit ... 318
§471.1. Adverse claim to deposit ... 319

DIRECTORS ... 320

DISCOUNT
§472. Definition ... 320
§472.1. Right to discount commercial paper 320

DRAWEE
§473. Effect of failure to designate drawee 321
§474. Sufficient designation of drawee ... 321

Page

DURESS
§475. What constitutes duress ... 321
§476. Duress as defense to note ... 322

EMPLOYEES' SAVINGS FUND
§477. Liability of bank ... 322

ESCHEAT ... 322

ESCROW DEPOSITS
§477.5. Liability for wrongful release ... 322

ESTATES ... 322

EVIDENCE
§478. Admissibility of evidence ... 322

EXCHANGE
§479. Effect of words "with exchange" 324
§480. Check payable in exchange ... 324

EXECUTORS, ADMINISTRATORS AND TRUSTEES
§481. Necessity for administration ... 325
§482. Appointment ... 325
§483. Qualifications of executor or administrator ... 325
§484. Appointment of bank or trust company ... 326
§485. —Effect of change in corporate identity ... 327
§486. Foreign corporation as executor ... 329
§487. Co-executors ... 329
§488. Removal of executor or administrator ... 330
§489. Removal of trustee ... 330
§490. —Removal under statute ... 331
§491. Necessity for filing bond ... 331
§492. Compensation ... 331
§493. —Double compensation ... 335
§494. Powers and duties ... 336
§495. Collection of assets of estate ... 339
§496. Inventories ... 340
§497. Compromising claims ... 340
§498. Notice to creditors ... 340
§499. Presentment and payment of claims 340
§500. Personal liability generally ... 341
§501. —For acts of negligence ... 344
§502. Executor not liable for traveling expenses ... 345
§503. Investments — duty to invest and care required ... 345
§504. —Retaining decedent's investments 349
§505. —Public and private securities ... 354
§506. —Real estate ... 354
§507. —Real estate mortgages ... 355
§508. —Mortgage participations ... 356
§509. —Speculation and trade ... 358
§510. —Continuing decedent's business 359
§511. —Deposit or investment in trustee's name ... 359
§512. —Mingling trust funds ... 361
§513. —Investment under provision in will or trust agreement ... 362
§514. —Investment under sanction of court ... 365
§515. —Liability for loss ... 366
§516. —Liability for interest ... 370
§517. —Interest actually received ... 371
§518. Registering securities in name of nominee ... 371
§519. Sale of trust property ... 371
§520. Deed of trust ... 372
§521. Trustee under corporate mortgage 372

Page

§522. Spendthrift trust 372
§523. Revocation of trust 373
§524. Liability of persons dealing with trustee 374
§525. Conflict of laws 375
§526. Right of judgment creditor to income of trust fund 375
§527. Corpus and income 375
§528. Investment trust 377
§529. Life insurance trust 377
§530. Living trust 377
§531. Custodian agreement 378
§532. Punishment for contempt 378

EXPRESS COMPANIES
§533. Liability of express companies 378

FAIR TRADE LAWS
§534. Constitutionality 378
§535. Action under Fair Trade Law 378

FALSE FINANCIAL STATEMENTS 379

FEDERAL DEPOSIT INSURANCE CORPORATION
§536. Deposit insurance 379
§536.5. Assessments 381
§537. Dividends 382
§538. Membership 382
§538.1. F.D.I.C. as receiver of closed bank 382
§538.2. Interest on insured deposits 382
§538.3. Liability for attorney's fees 383
§538.4. State statute of limitations inapplicable to F.D.I.C. 383

FEDERAL LAND BANK
§538.6. Liability 383
§538.7. Tax exemption 383

FEDERAL RESERVE BANKS
§539. Jurisdiction of courts 383
§539.1. Powers of Federal Reserve Board 384
§540. Collection charges 384
§541. Federal notes secured by United States obligations 384
§542. Rediscounted paper 384
§542.1. Loans for industrial purposes 384
§542.2. Regulation of holding companies 384
§542.3. Regulation as to underwriting of securities 385

FEDERAL RESERVE REGULATIONS
§543. Outline of Regulations 385
§543.5. Membership prerequisite 385

FIDELITY BONDS 385

FIELD WAREHOUSING
§543.6. Validity 385

FOREIGN EXCHANGE
§544. Power to deal in foreign exchange 385
§545. Necessity for writing 385
§546. Liability in foreign exchange transactions 386
§546.5. Foreign government decrees 388
§547. Amount recoverable 388
§548. Liability for re-exchange 389

FORGED PAPER
§549. Forged paper in general 390
§550. Liability of bank to depositor where bank pays check bearing forged signature 394
§551. —Bank held not liable 397

Page

§552. Drawee may not recover money paid on check bearing forged signature 398
§553. —Where check cashed for stranger 400
§554. —Where check deposited in drawee bank 401
§555. —Where drawer not a depositor 401
§556. Drawee allowed to recover money paid on check bearing forged signature 401
§557. —Where check cashed for stranger 403
§558. —Right to recover under Pennsylvania statute 404
§559. Indorsement of check for identification 404
§560. Liability of drawee bank to drawer where check paid on forged indorsement 404
§561. —Where indorsement forged by agent or employee of drawer. 408
§562. —Where drawer negligent 410
§563. —Check against special deposit 411
§564. Drawee bank may recover money paid on forged indorsement 411
§565. —Drawer's negligence no defense against drawee 413
§566. —Where drawer's indorsement forged 414
§567. —Where signature and indorsement both forged 414
§568. —No recovery where bank negligent 414
§569. —Action by collecting agent 415
§570. —Drawee's duty to give notice upon discovering forged indorsement 415
§571. Forged indorsement in Continental Europe 416
§572. Depositor's duty to examine returned vouchers and report irregularities to bank 416
§573. —Pass book rule 420
§574. —Depositor's duty to report missing check 421
§575. —Depositor's duty to call for pass book and vouchers 421
§576. —Examination entrusted to employee guilty of forgery 421
§577. —Depositor not required to look for forged indorsements 422
§578. —Depositor's duty to give notice upon discovering forged indorsement 423
§579. Drawee bank paying check on forged indorsement held liable to true owner 425
§580. —Drawee held not liable 427
§581. —Collecting bank held liable 428
§582. —Where forgery by agent or employee of true owner 430
§583. —Collecting bank held not liable 432
§584. —Where forgery by employee or agent of true owner 433
§585. —Bona fide purchaser of check held liable 433
§586. —Drawer held liable 433
§587. Check payable to fictitious payee 433
§588. Check delivered to impersonator—rights of drawee bank 440
§589. —Rights of drawer 443
§590. —Rights of collecting bank 444
§591. Forged and genuine signature on same instrument 445
§592. Payment of note by person whose signature is forged 445
§593. Ratification of forgery 445

Page

§593.5. Forged indorsement on cashier's check ... 446
§594. Liability of drawer to purchaser of instrument with forged indorsement ... 446
§595. Forged certification ... 447
§596. Proving forged indorsement ... 447
§597. Criminal prosecutions ... 447

FRAUD
§598. Instrument obtained by fraud ... 448
§598.1. Debt not dischargeable because of fraud ... 451
§599. Liability for unsound investment advice ... 451

GAMBLING TRANSACTIONS ... 452

GARNISHMENT ... 452

GIFTS
§600. Delivery is essential to the validity of a gift ... 452
§600.5. Confidential relationship of donee of gift ... 454
§601. Gifts causa mortis ... 454
§602. Transaction held valid as gifts causa mortis ... 455
§603. Gift causa mortis of checking account ... 457
§604. Gifts of negotiable instruments ... 457
§605. Gifts of securities ... 459
§606. Gifts of bank deposits ... 460
§607. Transactions held valid as gifts of deposits ... 463
§608. Contents of safe deposit box ... 465

GOLD
§609. Devaluation of gold dollar; stabilization fund ... 466
§610. Forfeiture of gold unlawfully retained ... 466
§611. Agreement to pay rent in gold bullion ... 466

GUARANTY
§612. Guaranty in general ... 466
§613. Guaranty contracts held unenforceable ... 470
§614. Necessity for acceptance ... 470
§615. Notice of advancements ... 471
§616. Construction of contract of guaranty ... 471
§617. —Continuing guaranties ... 474
§618. Forms of guaranty ... 475
§619. Personal liability of bank officer ... 476
§620. Release of guarantor ... 476
§621. Guaranty not assignable ... 477

GUARDIANS
§622. Appointment ... 478
§623. Removal ... 478
§624. Bank or trust company as guardian 478
§625. Liabilities ... 478
§626. Investment of guardianship funds ... 479

HOLDERS IN DUE COURSE
§627. Definition of holder in due course 481
§628. Payee as holder in due course ... 482
§629. —Where payee not a holder in due course ... 483
§630. Holder must take without notice of defect ... 484

Page

§631. —Where holder is not charged with notice ... 487
§632. —Purchaser held put on notice ... 492
§633. —Receiving paper belonging to principal in payment of agent's debt 495
§634. —Paper purchased from trustees, etc. ... 499
§635. —Interest unpaid ... 499
§636. —Apparent alteration ... 499
§637. —Notice before full amount paid ... 500
§638. —Notice to officer as notice to bank 500
§639. Holder must take in good faith ... 501
§640. Holder must take instrument before maturity ... 503
§641. —Time of acquiring checks ... 505
§642. —Time of acquiring demand notes 506
§643. Effect of transfer on Sunday ... 507
§644. Holder must take for value ... 507
§645. —Crediting proceeds to customer's account held to be value ... 507
§646. —Held not to be value ... 511
§647. —Paper received as collateral ... 512
§648. —Amount paid ... 512
§649. Effect of indorsement ... 514
§650. Rights of holder in due course ... 514
§651. —Payee a foreign corporation ... 517
§652. —Want or failure of consideration not a defense ... 518
§653. —Fraud not a defense ... 519
§654. —Instrument given in gambling transaction ... 519
§655. —Instrument obtained by duress ... 520
§656. —Violation of statutes ... 520
§656.5. Rights of holder not in due course 521
§657. Person deriving title through holder in due course ... 521
§658. Wrongful transfer to holder in due course ... 522
§659. Effect of bank's statement that it holds for collection ... 522
§660. Burden of proof ... 522

HOME OWNERS LOAN CORPORATION
§661. Decisions involving act ... 525

INCOMPLETE INSTRUMENTS
§662. Implied authority to fill in blank spaces ... 525
§663. —Name of payee ... 526
§664. —Date of payment ... 526
§665. —Place of payment ... 526
§666. —Amount of attorney's fees ... 526
§667. Rights of bona fide holder where blank space filled in ... 527
§668. Blank spaces carelessly left ... 528
§669. —Liability of bank paying check ... 529
§670. —Liability of indorser ... 529
§671. —Liability of surety ... 529
§672. Rights of party not a holder in due course ... 529
§673. Rights of owner of instrument against person exceeding authority 530

INDEMNITY BEFORE PAYMENT ... 530

INDORSEMENTS
§674. Form of indorsement ... 531
§675. —Rubber stamp indorsement ... 533
§676. —Corporate indorsement ... 533
§677. —Indorsement of instrument payable to cashier ... 533
§678. Indorsement of "myself" note necessary ... 533

Page

§679. Place of indorsement ... 533
§680. —Indorsement on separate paper ... 534
§681. Presumption as to time and place of indorsement ... 534
§682. Capacity in which party signing is liable — indorser ... 534
§683. —Guarantor ... 535
§684. —Maker ... 536
§685. Indorsement before delivery; irregular indorsers ... 537
§686. Indorsement where more than one payee ... 537
§687. Entire instrument must be indorsed 538
§688. Striking out indorsement ... 538
§689. Order of liability of indorsers ... 538
§690. Release of indorser ... 539
§691. —Effect of extension of time ... 540
§692. —Failure to charge depositor's note against his account ... 541
§693. —Releasing security ... 541
§694. Payment by discharged indorser ... 542
§695. Qualified indorsements ... 542
§696. Special indorsements ... 544
§697. Restrictive indorsements ... 544
§698. —Indorsement for collection ... 545
§699. —Indorsement for deposit ... 546
§700. —Indorsement to "any bank" ... 547
§701. Conditional indorsement ... 547
§702. Warranties of general indorsers ... 547
§703. Warranties of qualified indorsers or those who transfer without indorsement ... 548
§704. Warranties of restrictive indorsers 549
§705. Indorsement of minor ... 549
§706. Indorsement by trustee in bankruptcy ... 549
§707. Proving indorsement ... 549
§707.5. Indorsement by resident of foreign country ... 549
§708. Place of suing indorser ... 549
§709. Conflict of laws ... 549

INJUNCTION ... 550

INSANE PERSONS
§710. Negotiable paper of insane persons 550
§711. Committee of lunatic ... 550

INSOLVENCY ... 550

INSURANCE ... 550
§712. Liability on policies in general ... 551
§713. —Forgery insurance ... 552
§714. —Where surety not liable ... 554
§715. —Robbery, burglary, and theft insurance ... 555
§716. —Where surety not liable ... 557
§717. —Larceny insurance ... 558
§718. —Insurance against insolvency ... 558
§719. —Fire insurance ... 559
§720. —Insurance against "misplacement" 559
§721. Fidelity bonds in general ... 559
§722. —Where surety is not liable ... 560
§723. —Cashier ... 562
§724. —Treasurer ... 563
§725. —Vice-president ... 563
§726. —President ... 563
§727. —Where surety is liable ... 564
§728. —Cashier ... 565
§729. —President ... 566
§730. —Duration of liability on fidelity bonds ... 567
§731. Rights of surety to subrogation ... 568
§732. Annuity contracts ... 569

Page

§733. Unemployment insurance ... 569
§734. Time of giving notice of claim ... 569
§735. Time of commencing suit ... 569
§736. Rights of creditors to proceeds of life insurance policy ... 569
§737. Bonds certified by trust company ... 570
§738. Liability of bank to title insurance company ... 570
§739. Cancellation of policy ... 570
§739.5. Loan insurance ... 570

INTEREST
§740. Construction and validity of interest clause ... 570
§741. Note secured by mortgage ... 572
§742. Computation of interest ... 572
§743. Effect of statutory change in rate ... 573
§744. Bankruptcy of maker of note ... 573
§745. Interest on deposits ... 573
§746. Interest on bonds ... 574
§747. Interest on HOLC bonds ... 574
§748. Interest on coupons ... 575
§749. Definition of interest under Regulation Q ... 575
§750. Payment of interest by member banks ... 575
§751. Right to recover interest paid in advance ... 575
§752. Application of payment to interest 575
§753. Time when interest starts to run 575
§754. When interest is payable ... 576
§755. Effect of extension of time ... 576
§756. Default in payment of interest ... 576
§757. Compound interest ... 576
§758. Conflict of laws ... 577

INVESTMENTS
§759. Investments ... 577
§760. Investment by bank for depositor 578

JOINT DEPOSITS ... 578

JOINT NOTES
§761. Joint notes ... 578

JUDGMENTS
§762. Judgments ... 579

JUDGMENT NOTES
§763. Jurisdiction of court ... 580

LABOR LAWS
§764. Application to banks ... 580

LEASES
§765. Cancellation of lease ... 580

LETTERS OF CREDIT
§766. Letters of credit ... 580
§767. —Bank's refusal to pay ... 583
§768. —Rights of parties after date of expiration ... 585
§769. Letters of recommendation ... 585

VOLUME II

LIBEL AND SLANDER
§770. Libel and slander ... 585

LIEN AND SET-OFF
Bank's Lien or Right of Set-Off Against Depositor
§771. Lien and set-off in general ... 588

		Page
§772.	Obligation of bank to set-off deposit	591
§773.	Deposit by corporation	591
§774.	Application of firm account to partner's debt	591
§775.	Application of partner's account to firm debt	592
§776.	Deposit by agent	592
§777.	Deposit by trustee	593
§778.	Deposit by executor or administrator	595
§779.	Deposit by guardian	595
§780.	Deposit by attorney	595
§781.	Deposit in name of employee	596
§782.	Deposit in name of wife	596
§783.	Deposit credited to wrong person	596
§784.	Deposit of money wrongfully acquired	596
§785.	Deposit of money belonging to another	596
§786.	Securities accidentally in bank's possession	597
§787.	Securities wrongfully transferred to bank	597
§788.	Deposit created for purpose of deceiving bank examiner	597
§789.	Notes delivered to bank to impress bank examiner	597
§790.	Paper held by the bank for collection	597
§791.	Checks received after receiver appointed	598
§792.	Special deposits	598
§793.	Party having two accounts	599
§794.	Joint notes and deposits	600
§795.	Where deposit garnished	600
§796.	Demand or matured note of depositor	601
§797.	Indorser of matured note	601
§798.	Where deposit made within four months of bankruptcy	601
§799.	Unmatured debt of depositor	601
§800.	Unmatured debt of non-resident	603
§801.	Set-off against unmatured debt by agreement	603
§802.	Unmatured debt of insolvent person	603
§803.	Unmatured debt of bankrupt	604
§804.	Bankrupt indorser of unmatured note	604
§805.	Effect of outstanding checks	604
§806.	Effect of taking collateral	604
§807.	Effect of death of depositor	605
§808.	Deposit received after depositor's death	606
§809.	Notice to depositor and depositor's consent	606
§810.	Formal application of deposit	606
§811.	Time of day of maturity when set-off may be made	607
§811.5.	Damages for wrongful set-off	607
	Set-Off Against Insolvent Bank	
§812.	Depositor's right of set-off	607
§813.	Partnership deposit	609
§814.	Right of indorser	609
§815.	Unmatured note where bank insolvent	610
§816.	Indorser of unmatured note	610
§817.	Right of holder of certificate of deposit	610
§818.	Set-off by commercial depositor against savings department	610
§819.	Bank in process of liquidation	611
§820.	Rights of assignee of deposit	611
§821.	Setting off assigned claim	611
	General Liens	
§821.1.	Liens in general	611
§821.2.	Priority of liens	612
§821.3.	Effect of filing	613
	LOAN AND DISCOUNT	
§822.	Liabilities of parties	613
§823.	Excessive loans	615
§824.	Loan to an officer	616
§825.	False credit statement	616
§826.	Loan to deceive bank examiner	617
§827.	Loans by non-banking corporations	617
	LOST OR STOLEN INSTRUMENTS	
§828.	Right to bond found on premises of safe deposit company	617
§828.1.	Proof of signature	618
	LOST PROPERTY	
§829.	Title of finder	618
	LOTTERIES	
§830.	Lottery held unlawful	618
	MAKER	
§831.	Liability of maker	618
§832.	—Joint makers	620
§832.1.	Liability of co-makers under Soldiers' and Sailors' civil relief act	621
	MALICIOUS PROSECUTION	621
	MARRIED WOMEN	
§833.	Liability on note	621
§834.	Liability as surety or guarantor	622
§835.	Execution of deed by married woman	623
§836.	Action by wife against husband	623
§837.	Husband as wife's agent	623
§838.	Deed to husband and wife	623
	MATURITY	
§839.	Computing time	623
§840.	Construction of note with reference to time of maturity	623
§841.	—Where no time of payment specified	625
§842.	—Note payable "on or before"	626
§843.	—Undated note	626
§844.	—Note payable on demand	626
§845.	—Note payable "on demand after date"	626
§846.	—Note payable "after date"	626
§847.	—Note payable on impossible date	627
§848.	Notes secured by deed or mortgage	627
§849.	Draft attached to bill of lading	627
§850.	Notes due on default in payment of interest	627
§851.	Series of notes due on default as to one	628
§852.	Notes payable after maker's death	628
§853.	Suit before maturity	628
§854.	Suit on day of maturity	629
	METAL CHECKS	
§855.	Metal checks	629
	MINORS	629
	MONEY	
§856.	Lawful money	629
§857.	Gold clause decisions	629

Page

MONEY ORDERS
§858. Negotiability of money orders 630
§859. Telegraph money orders 630

MONOPOLIES
§860. Lease of tabulating machines 631
§860.5. Investment banking 631

MORATORIUM
§861. Effect of moratorium 631

MORTGAGES
Chattel Mortgages
§862. Chattel mortgages generally 632
§863. Acknowledgment and execution 637
§864. Affidavit of good faith 637
§865. Necessity for filing 637
§866. Effect of filing 639
§867. Waiver of mortgagee's rights 639
§868. Person having actual notice 639
§869. Time of filing 639
§870. Place of filing 640
§871. Renewal 641
§872. Sufficiency of filing 641
§873. Description of mortgaged property 641
§874. Validity of chattel mortgage 643
§875. Usurious mortgage 645
§876. Mortgage of stock of merchandise 645
§877. Mortgage of crops 646
§878. Mortgage of goods not owned 647
§879. Mortgage of intoxicating liquor 647
§880. Mortgage to secure future advances 647
§880.1. Mortgage of vessel 648
§881. Mortgage by insolvent 648
§882. Property covered 648
§883. Renewal of secured notes 648
§883.5. Release of mortgage 649
§884. Sale of mortgaged property 649
§884.5. Statutory regulations 650
§885. Foreclosure against person in service 650
§886. Conflict of laws 651
Real Estate Mortgages
§887. Real estate mortgages generally 651
§887.5. Mortgage securing future advances 652
§888. Unrecorded mortgage 652
§889. Absolute deed as mortgage 652
§890. Mortgage participations 652
§891. Assignment of note secured by mortgage 653
§892. Transfer of mortgaged premises 653
§893. Priorities between different assignees 654
§894. Release of mortgage 654
§895. Foreclosure 654
§895.2. —Right to deficiency 655
§896. Conflict of laws 655
§896.1. Emergency farm mortgage 655

MUNICIPAL WARRANTS
§897. Negotiability 655
§898. Payment of stolen warrants 656
§899. Cashing warrants 656

NATIONAL BANKS
§900. State control of national banks 656
§901. Compensation of organizers of national bank 658
§901.5. Qualification of directors 658
§902. Powers of national banks generally 658
§903. —Purchase of stocks 660
§904. —Acting as broker 660
§905. —Purchase of securities 661
§906. —Sale of securities 661
§907. —Dealing in securities 662
§908. —Holding real estate 662
§909. —Cashing checks away from bank 663
§910. —Changing name 663
§911. —Establishing branches 663
§912. —Dismissal of officer 663
§912.5. Dividends 663
§913. Limitation of indebtedness 663
§914. National bank not liable as guarantor 664
§915. —Bank held liable 664
§916. —Transfer of commercial paper 665
§917. —Bank not liable as surety or accommodation indorser 665
§918. Loans by national bank — amount 665
§919. —Collateral 666
§920. —Real estate security 666
§921. Misapplication of national bank funds 667
§922. State bank converted to national bank 667
§923. Injunction against national bank 667
§924. Attachment against national bank 668
§925. Liquidation of national bank 668
§926. Embezzlement by receiver of national bank 668
§927. Action against national bank 668
§928. —Action in foreign state 668
§928.1. Loans to officers 669
§929. Removal of officer 669

NEGLIGENCE
§930. Liability for negligence 669
§930.1. Mistakenly accusing person of crime 672

NEGOTIABILITY
§931. Words of negotiability necessary 673
§932. —Instrument intended to be negotiable 674
§933. Postdated check negotiable 674
§934. Trust receipts not negotiable 674
§935. Stipulations destroying negotiability 674
§936. Stipulations in general not affecting negotiability 676
§937. Provision authorizing sale of collateral 679
§938. Provision that title shall remain in seller 679
§939. Waiver of law for benefit of obligor 680
§940. Recital of consideration 680
§941. Words "value received" unessential 681
§942. Instruments referring to contract 681
§943. Instruments secured by mortgage or deed held negotiable 682
§944. —Such instruments held non-negotiable 682
§945. Instrument payable out of particular fund is non-negotiable 683
§946. Indication of fund for reimbursement does not affect negotiability 683
§947. Instrument must be unconditional 684
§948. Instrument must be certain as to amount 685
§949. —Provision for increased interest after default 686
§950. —Provision for attorney's fees or cost of collection 687
§951. —Instrument payable with exchange 688
§952. —Discount for prompt payment 688
§953. —Installment notes 689
§954. Certainty as to payee 689

Page

§955. Instrument must be certain as to time of payment ... 689
§956. —Instruments payable at or after death ... 690
§957. —Instruments payable on or before certain date ... 691
§958. —Provisions relating to security ... 692
§959. —Instalment notes ... 693
§960. —Instruments due on default as to interest ... 693
§961. —Series of notes due on default as to one ... 694
§962. —Provisions for extension of time ... 694
§963. —Notes confessing judgment ... 696
§964. Recital that note is negotiable ... 696
§965. Notes payable at two places ... 697
§966. —Medium of payment ... 697
§967. —Particular kind of money ... 697
§968. —Instruments payable in exchange ... 697
§969. —Instruments payable in current funds held negotiable ... 697
§970. —Certificates entitling holder to bonds not negotiable ... 698
§971. —Instruments payable in current funds held not negotiable ... 698
§972. —Instruments payable in currency ... 698
§973. —Holder given option to require something in lieu of money ... 698
§974. Effect of omission of revenue stamps ... 698
§975. Effect of seal ... 698
§976. Conflict of laws ... 699
§977. Application of Negotiable Instruments Law ... 699

NON-NEGOTIABLE PAPER
§978. Non-negotiable paper ... 699

NOTARIES
§ 979. Function of acknowledgment ... 701
§ 980. Qualification of notary to take acknowledgment ... 701
§ 981. —Acknowledgment before party to instrument ... 701
§ 982. —Acknowledgment of trust deed before interested party ... 701
§ 983. —Acknowledgment before attorney of interested party ... 702
§ 984. —Acknowledgment before partner of interested firm ... 702
§ 985. —Competency of cashier of firm to take acknowledgment ... 702
§ 986. —Acknowledgment before agent of interested party ... 702
§ 987. —Acknowledgment before relative of interested party ... 702
§ 988. —Acknowledgment before husband of interested party ... 703
§ 989. Acknowledgment before stockholder of interested corporation invalid ... 703
§ 990. —Acknowledgment before stockholder held valid ... 703
§ 991. —Acknowledgment before officer valid ... 703
§ 992. —Acknowledgment before officer and stockholder void ... 704
§ 993. —Such acknowledgment merely voidable ... 704
§ 994. —Affidavit before officer and stockholder voidable ... 704
§ 995. —Acknowledgment before employee of bank valid ... 704
§ 996. Competency of officers and stockholders to act as notary in protesting paper belonging to the bank ... 704
§ 997. Acknowledgments or affidavits taken over telephone ... 705
§ 998. Irregular acknowledgment ... 705
§ 999. Contract between bank and notary to divide fees ... 705
§1000. Liability of notary for damages ... 706
§1001. Liability of bank for notary's act ... 706
§1002. Liability of notary's sureties ... 706
§1003. Removal of notary from office ... 706
§1004. Reappointment ... 706

NOTICE OF DISHONOR
§1005. By whom notice to be given ... 707
§1006. —Agent ... 707
§1007. —Person not properly authorized ... 708
§1008. Persons entitled to notice ... 708
§1009. —Where notice not required ... 708
§1010. —Instalment note ... 709
§1011. —Irregular indorser ... 709
§1012. —Accommodation indorser ... 710
§1013. —Accommodation maker ... 710
§1014. —Accommodated party ... 710
§1015. —Sureties ... 711
§1016. —Agent of indorser ... 711
§1017. —Partners ... 711
§1018. —Joint parties not partners ... 711
§1019. —Executors and administrators ... 712
§1020. —Indorser for collection ... 712
§1021. —Insolvent indorser ... 712
§1022. —Indorser of non-negotiable instrument ... 712
§1023. Notice to drawer of check ... 712
§1024. Effect of notice ... 713
§1025. Form of notice in general ... 713
§1026. —Verbal notice sufficient ... 713
§1027. —In Kentucky notice must be written ... 714
§1028. —Notice by telephone ... 714
§1029. —Direction on notice ... 714
§1030. —Signature on notice ... 714
§1031. —Date of notice ... 714
§1032. —Date of presentment ... 714
§1033. —Errors in describing instrument ... 715
§1034. —Omissions held immaterial ... 715
§1035. —Omissions invalidating notice ... 715
§1036. —Place of sending notice ... 715
§1037. —Notices held improperly sent ... 716
§1038. —Residence or place of business ... 717
§1039. —Address given on note ... 717
§1040. —Person temporarily absent ... 717
§1041. —Person receiving mail at more than one place ... 718
§1042. Diligence in locating indorser ... 718
§1043. Excuses for delay ... 719
§1044. Failure to give notice not excused ... 719
§1045. —Maker's insolvency ... 719
§1046. Failure to give notice excused ... 719
§1047. Time for giving notice ... 720
§1048. —Time of day ... 720
§1049. —Premature notice ... 721
§1050. —Notice not sent in proper time ... 721
§1051. —Notice on holiday ... 721
§1052. —Parties residing in same place ... 721
§1053. —Parties residing in different places ... 721
§1054. —Indorser receiving notice ... 722
§1055. Notice by mail ... 722
§1056. —Notice valid though not delivered ... 722
§1057. —Deposit in letter box or delivery to carrier ... 722

Page

§1058. Proof of notice 723
§1059. Waiver of notice 724
§1060. —Acts constituting waiver 725
§1061. —Payment or promise to pay 726
§1062. —Effect of waiver of presentment 727
§1063. —Waiver after maturity 727
§1064. —Waiver by partner 727
§1065. —Construction of waiver clauses 727

OFFICERS AND EMPLOYEES OF BANKS
§1066. Authority of officers in general 729
§1067. Liability of officers in general 730
§1067.1. Liability of reorganization trustee 731
§1068. —Authority of president 731
§1069. —Authority to borrow money 732
§1070. —Authority to discount bank's paper 733
§1071. —Authority to receive deposits 733
§1072. —Authority to sell bank's property 733
§1073. —Authority to employ counsel 733
§1074. Personal liability of president 733
§1075. —Liability for improper loans 734
§1076. —Liability for cashier's defalcation 735
§1077. Liability of bank for acts of officers or employees 735
§1078. —Liability for acts of president 738
§1079. —Liability for acts of vice-president 740
§1080. Authority of cashier 741
§1081. —Limitation of cashier's authority 743
§1082. —Implied authority of cashier 744
§1083. —Collection and payment of debts 744
§1084. —Certification of checks 744
§1085. —Certificates of deposit 744
§1086. —Receiving deposits 745
§1087. —Borrowing money 745
§1088. —Indorsement and transfer 745
§1089. —Releasing parties liable to bank 746
§1090. —Contracts of guaranty 746
§1091. —Sale of bank's property 746
§1092. —Leases and mortgages 747
§1093. —Bonds 747
§1094. Delegation of authority by cashier 747
§1095. Liability of bank for cashier's act 747
§1096. —Where bank not liable 751
§1097. Personal liability of cashier 752
§1098. —Liability for shortage 753
§1099. —Criminal liability 753
§1100. Use of bank's money by cashier for individual purposes 754
§1101. Note payable to cashier 754
§1102. Cashier's right to recover money credited to customer by mistake 754
§1103. Compensation of cashier 754
§1104. Cashier's right to commission 754
§1105. Cashier's term of office 755
§1106. Authority of assistant secretary 755
§1107. Discharge of manager 755
§1108. Election and qualification of bank directors 755
§1109. Resignation of national bank director 756
§1110. Duties of bank director 756
§1111. Directors must act as board 757
§1112. Authority of directors 757
§1113. —Right of director to inspect books 758
§1114. —Ratification by directors 758
§1115. Compensation of directors 758
§1116. Rights of directors advancing money to bank 758
§1117. Liability of directors generally 759
§1118. —Liability for excessive or improper loans 761

Page

§1119. —Action against directors for mismanagement 763
§1120. —Personal liability for dishonesty of officer 764
§1121. —Liability for false statements 764
§1122. —Liability to depositors who rely on false statements 764
§1123. —Liability to one who loans on stock relying on false report 765
§1124. —Liability of bank in such case 765
§1125. —Liability to purchasers of stock relying on false reports 765
§1126. —Liability for receiving deposits when bank insolvent 766
§1127. —Liability where stock issued for insufficient consideration 766
§1128. —Liability of committee 766
§1129. Authority of savings bank trustee 766
§1130. Authority of teller to receive deposits 766
§1131. Liability of bank for act of teller 766
§1132. Notice to officer as notice to bank 766
§1133. False entries by national bank officers 768
§1134. Compensation of officers 768
§1134.6. Government regulation 769

OFFICERS OF CORPORATIONS 769

OVERDRAFTS
§1135. Definition of overdraft 769
§1136. No obligation to permit overdraft 769
§1137. Agreement to allow overdraft 770
§1138. Several checks presented at once 770
§1139. Overdraft by depositor having two accounts 770
§1140. Overdraft check deposited in drawee bank 771
§1141. —Agreement permitting check to be charged back 771
§1142. —Deposit with knowledge that check is overdraft 771
§1143. —Deposit of overdraft check by mail 771
§1144. —Deposit of overdraft check in branch of drawee 772
§1145. —Check drawn on branch of drawee 772
§1146. —The rule in California 772
§1147. Rights of bank against depositor where account overdrawn 772
§1148. —Partnership accounts 773
§1149. —Overdraft resulting from credit given by mistake 773
§1150. —Application of subsequent deposit 774
§1151. —Application of money deposited by mistake 774
§1152. —Signed blank check wrongfully filled out by employee 774
§1153. —Where bank not allowed to recover from depositor 774
§1154. —Overdraft by agent 774
§1155. Rights of bank against party to whom overdraft check is paid 775
§1156. —Check paid after banking hours 775
§1157. —Check paid in ignorance of drawer's insolvency 775
§1158. —Overdraft check paid at clearing house 775
§1159. —Overdraft check paid at branch office 775
§1160. —Fraudulent overdraft transaction 775

		Page
§1161.	Bank has no claim against property purchased with overdraft check	776
§1162.	Personal liability of officer of bank	776
§1163.	Checks drawn by one having no account	776
§1164.	Damages against person giving overdraft check	776
§1165.	Right of bank to interest on overdraft	776
§1166.	Right of bank to exchange charges	777
§1167.	Person introducing another at bank not liable for his overdraft	777
§1168.	Criminal liability under various state statutes — Arkansas	777
§1169.	—California	777
§1170.	—Florida	777
§1171.	—Georgia	777
§1172.	—Kansas	778
§1173.	—Kentucky	778
§1174.	—Mississippi	778
§1175.	—New Jersey	778
§1176.	—New York	778
§1177.	—North Carolina	778
§1178.	—Ohio	778
§1178.5.	—Utah	779
§1179.	—Oregon	779
§1180.	—South Dakota	779
§1181.	—Tennessee	779
§1182.	—Texas	779
§1183.	—Vermont	779
§1184.	—West Virginia	779
§1185.	—Wisconsin	779
§1186.	Money contributed by directors to meet overdraft of customers	779
PAR COLLECTIONS		779
PARTNERSHIP		
§1187.	Authority of partner	780
§1188.	Signature on firm note	780
§1189.	Notice to partner is notice to firm	780
§1190.	Liability of firm or partner	780
§1191.	—Liability upon dissolution	781
§1192.	—Notice of dissolution	782
§1193.	Payment of partner's debt with firm obligation	782
§1194.	Payment of firm debt with partner's obligation	782
§1195.	Notes of limited partnership	782
§1196.	Insolvency	782
PATENT RIGHT NOTES		
§1197.	Validity	783
§1198.	Rights of holder in due course	783
§1199.	Compliance with statute	783
§1200.	To what notes statutes apply	783
PATENTS		
§1201.	Validity of patents	784
PAYEE		
§1202.	Construction of instrument as to payee	784
§1203.	Instrument must be definite as to payee	785
§1204.	Instrument payable to the order of an estate	785
§1205.	Where no payee named	786
§1206.	Joint payees	786
§1207.	Right of payee to recover	786
PAYMENT		
§1208.	Payment in general	787
§1209.	—Liability of party other than drawee	790
§1210.	—Liability of drawee	791
§1211.	Payment before maturity or without taking up instrument	793
§1212.	Negotiation after payment	794
§1213.	Notes payable at bank	795
§1214.	Part payment of note	795
§1215.	Application of payments	796
§1216.	Discharge of instrument	796
§1217.	Cancellation of note by destruction	798
§1218.	Discharge of indorser	798
§1219.	Payment to holder	798
§1220.	Payment to person other than holder	798
§1221.	Right to indemnity before paying lost note	799
§1222.	Payment of deposit to sheriff or other officer	799
§1223.	Payment of checks	799
§1224.	—Where drawee or drawer fails	801
§1225.	—Payment to unauthorized persons	802
§1226.	—Part payment	804
§1227.	—Checkholder depositing deficiency	804
§1228.	—Several checks constituting overdraft	804
§1229.	—Effect of crediting check	804
§1230.	—Effect of "paid" stamp	805
§1231.	—Payment at clearing house	805
§1232.	—Torn check	805
§1233.	—Stale check	805
§1234.	—Check bearing memoranda	805
§1235.	Check conditionally indorsed	805
§1236.	—Check payable in exchange	806
§1237.	—Payment of too large an amount	806
§1238.	—Payment by mail	806
§1239.	—Check given in gambling	806
§1240.	—Check kiting transaction	806
§1241.	—Checks signed by agent	807
§1242.	—Checks against partnership and joint accounts	808
§1243.	—Bank's right to indorsement	809
§1244.	—Payment of unindorsed checks	809
§1245.	Bank's liability for refusing depositor's check	809
§1246.	—Refusal because of bank's mistake	812
§1247.	—Refusal because of improper signature	813
§1248.	—Where deposit attached	813
§1249.	—Bank's right to apply deposit to depositor's note	813
§1250.	—Liability where drawer or payee arrested	814
§1251.	—Notice to bank that deposit is claimed by third party	815
§1252.	—Amount of damages recoverable	815
§1253.	—Where drawer is a merchant or trader	817
§1254.	Payment of deposit without check	817
§1255.	Agreement to honor checks	818
§1256.	—Application of deposit to depositor's indebtedness to bank	819
§1257.	Check as payment	820
§1258.	—Check is conditional payment merely	822
§1259.	—Effect of negligence in collecting	823
§1260.	—Check delivered to agent	825
§1261.	—Where payee indorses for value	825
§1262.	—Effect of having check certified	825
§1263.	Check "in full" of liquidated claim	825

Page

§1264. Check "in full" of disputed claim 825
§1265. Conflict of laws 826

PEDDLER'S NOTES
§1266. Peddler's notes 826

PLEADING
§1267. Complaint 827
§1268. Answer and bill of particulars 827

PLEDGE AND COLLATERAL
§1269. Pledge and collateral in general 827
§1270. Wrongful pledge 830
§1271. Validity of pledge 830
§1272. Debts secured 831
§1273. Pledge of corporate stocks 832
§1274. Pledge of warehouse receipt or bill of lading 834
§1275. Pledge of stolen or wrongfully acquired property 834
§1276. Pledge by broker 835
§1277. Pledge by trustee 836
§1278. Effect of taking note 836
§1279. —Effect of part payment 836
§1280. Application of collateral 837
§1281. Pledge of building and loan shares 838
§1282. Losing collateral 838
§1283. Pledge by bank holding collateral 838
§1284. Sale of collateral 838

POSTDATED INSTRUMENTS 842

PRESENTMENT FOR ACCEPTANCE
§1285. When presentment for acceptance required 842
§1286. Time of presentment for acceptance 842
§1287. To whom presentment for acceptance may be made 842
§1288. Exhibition of instrument 842
§1289. Where presentment excused 843

PRESENTMENT FOR PAYMENT
§1290. Necessity for presentment 843
§1291. By whom presentment made 845
§1292. To whom presentment made 845
§1293. —Partners 845
§1294. —Joint makers not partners 845
§1295. Manner of presentment 845
§1296. —Presentment of several checks 846
§1297. —Demand for certification 847
§1298. Exhibition of instrument upon presentment 847
§1299. Surrender of instrument upon payment 847
§1300. Presentment by mail 847
§1301. Presentment by telephone 848
§1302. Place of presentment 848
§1303. —Instrument payable at bank 849
§1304. Note falling due on Saturday, Sunday or holiday 849
§1305. Time of presentment of checks 849
§1306. —Certified check 851
§1307. —Banker's check 851
§1308. —Local check 851
§1309. —Out-of-town check 853
§1310. —Presentment through clearing house 854
§1311. —Check received after banking hours 854
§1312. —Circuitous routing of check 855
§1313. Time of presentment of demand notes 856

Page

§1314. Time of presentment of bill of exchange 857
§1315. Time of day when presentment may be made 857
§1316. Effect of delay in presentment of check 858
§1317. —Where drawer not discharged 859
§1318. Where presentment is excused 860
§1319. —Excuses held insufficient 861
§1320. Diligence in locating party 861
§1321. When delay in presentment is excused 862
§1322. Waiver of presentment 862
§1323. —Waiver after maturity 863
§1324. —Promise of payment 864
§1325. —Insolvency of maker or acceptor 864
§1326. —Waiver of protest or notice 864
§1327. Proof of presentment 865

PRESIDENT AND VICE-PRESIDENT 865

PRICE CONTROL
§1327.5. Defense Production Act of 1950 865

PRIVATE BANKERS 865

PROFIT SHARING PLAN
§1328. Rights of employee 865

PROTEST
§1329. Meaning of protest 866
§1330. Protest necessary only as to drawers or indorsers of foreign bills of exchange 866
§1331. Protest for non-acceptance and non-payment 866
§1332. Protest of coupons 866
§1333. Non-negotiable instruments 866
§1334. Protest of lost instrument 866
§1335. Form and contents of certificate of protest 867
§1336. Signature 867
§1337. By whom protest may be made 867
§1338. Time of protest 868
§1339. Protest before maturity on acceptor's insolvency 868
§1340. Certificates of protest as proof 868
§1341. Conflict of laws 869
§1342. Protest fees 869
§1343. Wrongful protest 869
§1344. Waiver of protest 870
§1345. Written waiver 870
§1346. Where protest dispensed with 870

PUBLIC ACCOUNTANTS 870

RAILROADS 870

RECORDS OF BANK
§1346.2. Microfilms as evidence of originals 870
§1346.3. Legal process to examine 871
§1346.5. —Admissibility in evidence 871

RENEWAL AND EXTENSION
§1347. Renewal and extension 872

REPORTS 873

RESTRAINT OF TRADE
§1347.5. Banking as subject to laws 873

REWARD
§1348. Offer of reward binding 873

Page

SAFE DEPOSIT COMPANIES
§1349. Relation between company and customer ... 874
§1350. Liability of company to customer 874
§1351. —Where safe deposit box is robbed 876
§1352. Right to examine contents of safe deposit box ... 877
§1353. Right of access to safe deposit box 877
§1354. Disclosure of contents of box ... 877
§1355. Validity of inheritance tax statute in its application to safe deposit companies ... 877
§1356. Joint safe deposit boxes ... 877

SALES
§1357. Contracts of sale ... 879
§1357.5. Conditional sales contracts ... 880
§1357.6. Title retention contracts ... 883
§1358. Bulk sales law ... 884

SAVINGS AND LOAN ASSOCIATIONS
§1358.2. In general ... 884
§1358.5. Power to advertise as savings bank 885

SAVINGS BANKS
§1359. Powers of savings banks ... 885
§1360. By-laws ... 886
§1361. Contract to make loan ... 886
§1362. Savings bank held liable for deposit paid to party not entitled 886
§1363. —Effect of by-laws and rules ... 888
§1364. —Savings bank held not liable in such cases ... 889
§1365. Production of pass book ... 890
§1366. Right of savings bank to require indemnity before paying on lost or stolen pass books ... 892
§1367. Payment of deposit after depositor's death ... 893

SEALS
§1368. Notes under seal ... 893

SET-OFF ... 894

SIGNATURE
§1369. Place of signature ... 894
§1370. Form of signature ... 894
§1371. Signature by agent ... 895
§1372. Signature by executors ... 896
§1373. Signature by trustees ... 896
§1373.5. Proof of signature ... 896
§1374. Signature on corporate check ... 896
§1375. Signature on partnership check ... 897
§1376. Note with signature missing ... 897

SIGNATURES OBTAINED BY FRAUD
§1377. Liability of maker whose signature is obtained by fraud ... 897
§1378. Checks obtained by fraud ... 898
§1379. Indorsement obtained by fraud ... 899
§1380. Proof of signature ... 899

SPENDTHRIFT NOTE
§1381. Spendthrift note ... 899

STATUTE OF FRAUDS
§1382. Liability under statute ... 899

STATUTE OF LIMITATIONS
§1383. Statute begins to run from date of certificate of deposit ... 900

Page

§1384. Statute runs from demand on certificate of deposit ... 900
§1385. Statute begins to run at maturity of certificate ... 900
§1386. Action on note ... 901
§1386.5. Cognovit note ... 902
§1387. Action for refusal to pay check ... 902
§1388. Action for negligence in collection 902
§1389. Action against surety ... 902
§1389.1. Slander of credit ... 902
§1390. Note under seal ... 902
§1391. Mortgage securing note ... 902
§1392. Action on demand note ... 903
§1393. Note payable on demand after date 903
§1394. Action on antedated note ... 903
§1395. Action on check or draft ... 903
§1396. Action on certified check ... 904
§1397. Action to recover payment on forged instrument ... 904
§1398. Indorsement of past due note ... 906
§1399. Action against indorser ... 906
§1400. Action to recover dividends wrongfully paid ... 907
§1401. Action against directors of bank 907
§1402. Action for usurious interest ... 907
§1403. Interest not barred by statute ... 908
§1404. Action for deposit ... 908
§1405. Action to enforce stockholder's liability ... 908
§1406. Suspension of statute ... 909
§1406.5. Sovereign as holder of instrument 911
§1407. Waiver of statute ... 911
§1408. Filing claims against insolvent ... 912
§1409. Validity of clause in bond ... 912
§1410. Conflict of laws ... 912
§1410.1. Action to recover pledged securities 912
§1410.2. Action by estate ... 912
§1410.3. Action against Government ... 912

STOCK AND STOCKHOLDERS
§1411. Negotiability of shares of stock ... 913
§1412. Increase and reduction of stock ... 914
§1413. —National bank shares ... 914
§1414. Right of preferred stockholder in new issue of common stock ... 914
§1415. Book value of stock ... 914
§1416. Stock wrongfully issued ... 915
§1417. Lost and stolen certificates ... 916
§1418. Stock subscriptions ... 916
§1419. Transfer and sale of stock ... 918
§1420. Sale of stock on report of merger 920
§1421. Method of transfer ... 920
§1422. —By-laws affecting transfer ... 920
§1423. —Sale induced by fraud ... 921
§1424. —Remedy where purchaser refuses to accept stock ... 921
§1425. Right of bank to purchase its own shares ... 921
§1426. Voting ... 922
§1427. Dividends ... 922
§1428. Stockholder's right to sue or defend on behalf of corporation ... 923
§1429. Rights of stockholder objecting to merger ... 924
§1430. Right of stockholder to inspect books generally ... 925
§1431. Right of national bank stockholder to inspect books ... 926
§1432. Penalty for refusing to exhibit books ... 927

		Page
§1433.	Obligation of bank officer to furnish information about stockholder's holdings	927
§1434.	Bank's statutory lien on its stock for stockholder's indebtedness	927
§1435.	Lien created by by-law or charter	929
§1436.	Lien of national bank on its stock	930
§1437.	Lien enforced for benefit of bank only	930
§1438.	Rights of party purchasing stock subject to lien	930
§1439.	Waiver of lien	931
§1440.	Statutory liability in general of stockholders to creditors	931
§1441.	—Status as stockholder in doubt	937
§1442.	—Transfer prior to insolvency	939
§1443.	—Stockholder's right of set-off	940
§1444.	—Who may enforce liability	941
§1445.	—Personal responsibility of receiver	942
§1446.	—Rights of holder of certificate of deposit	942
§1447.	—Liability of preferred stockholder	942
§1448.	—Deceased stockholder	942
§1449.	—Stock issued in name of another person	943
§1450.	—Where transfer not recorded	943
§1451.	—Liability of pledgee	945
§1452.	—Pledgee held liable	946
§1453.	—Liability of bank or other corporation as stockholder	946
§1454.	—Liability of married woman as stockholder	947
§1455.	—Stock purchased on misrepresentation	947
§1456.	—Trustees	948
§1456.5.	—Guardians	950
§1457.	—Life tenant	950
§1458.	—Stock transferred when bank insolvent	950
§1459.	—Stock transferred to irresponsible person	950
§1460.	Assessment of stockholders	951
§1461.	Liability of registrar	952

STOPPING PAYMENT

§1462.	Right to stop payment	952
§1463.	Notice to stop payment	952
§1464.	—Form of notice	953
§1465.	—Time of notice	953
§1466.	—Cancellation of notice	954
§1467.	Stopping payment as against holder in due course	954
§1468.	Third party stopping payment	955
§1469.	Stopping payment of certified check	955
§1470.	Stopping payment of cashier's check	956
§1471.	Where check an assignment	957
§1472.	Stopping payment of note	957
§1473.	Effect of stopping payment	957
§1474.	Liability of bank paying stopped check	957
§1475.	—Where bank is protected	960
§1476.	Right of bank to recover money paid on stopped check	961

SUNDAYS AND HOLIDAYS

§1477.	Note executed or delivered on Sunday or holiday	962
§1478.	Sunday contract	963
§1479.	Acceptance of offer received on Saturday	963
§1480.	Option expiring on holiday	963
§1481.	Service of summons on holiday	963
§1482.	Saturday afternoon transactions	963
§1483.	Conflict of laws	963

SURETIES

§1484.	Rights and liabilities of sureties in general	964
§1485.	—Signature obtained by misrepresentation or fraud	966
§1486.	—Rights of surety after paying debt	966
§1487.	Release of surety	967
§1488.	—Extending time of payment	968
§1489.	—Extension of time not a release	969
§1490.	—Surrender of collateral	970
§1491.	—Failure of bank to apply deposit	970
§1492.	—Alteration of instrument	970
§1493.	Waiver of extension of time	971

TAXATION

§1494.	Taxation of property of resident outside the state	972
§1495.	Taxation of property owned by non-resident	972
§1496.	Taxation of stock held by broker	972
§1497.	Taxation of corporation	972
§1498.	Taxation of private bankers	973
§1499.	Taxation of stock transfers	973
§1500.	United States securities	973
§1501.	Taxation of transitory deposits	973
§1502.	Taxation of non-par value stock	974
§1503.	Taxation of stock exchange seat	974
§1504.	Taxation of national banks	974
§1505.	—Real and personal property	975
§1506.	—Deposits	975
§1507.	—National bank notes	976
§1508.	—Bank presidents	976
§1509.	—License tax on national banks	976
§1510.	State tax on national bank shares	976
§1511.	—Discriminatory legislation	977
§1512.	—Assessment	979
§1513.	—Municipal taxation	979
§1514.	—Capital not taxable	979
§1515.	Recovery of payment of illegal tax	979
§1516.	State banks	979
§1517.	Savings banks	980
§1518.	Inheritance tax — residents and non-residents	981
§1519.	—Life insurance policies	982
§1520.	—Deposits	982
§1520.1.	Inheritance tax by two states	983
§1520.2.	Unemployment taxation	983
§1521.	Probate tax	984
§1522.	Income tax	984
§1523.	Stamp tax	986
§1524.	Gift tax	987
§1525.	Newspaper tax	988
§1526.	License tax on state banks	988
§1527.	Excessive taxation	988
§1528.	Deductions	989
§1528.5.	—Tax deductions of interest paid	990
§1529.	Exemptions	990
§1530.	Tax exempt securities	990
§1531.	Valuation for purposes of taxation	990
§1532.	Constitutionality of bank inspection	991

TELEPHONE AND TELEGRAPH

§1533.	Delay in delivering telegram concerning margin account	991

Page

§1534. Liability for fraudulent telegram 991
§1535. Mistake in transmission of money 992

TENDER
§1536. Defintion 992
§1537. Effect of tender 992
§1538. —Tender after maturity 992
§1539. Requisities of valid tender 993
§1540. Keeping tender good 993
§1541. Amount tendered 993
§1542. By whom tender may be made 993
§1543. —Agent 993
§1544. —Partner 993
§1545. To whom tender may be made 993
§1546. Place of tender 993
§1547. Medium of tender 993

TRADE ACCEPTANCES
§1548. Definition 994
§1549. Negotiability 994
§1550. Indorsement and transfer 996
§1551. Renewal 996
§1552. Liability of acceptor 996
§1553. Person reading trade acceptance charged with knowledge of contents 996
§1554. By whom action may be brought 996

TRANSFER WITHOUT INDORSEMENT
§1555. Instruments transferable by delivery 997
§1556. Effect of transfer without indorsement 997
§1557. Liability of person transferring 998
§1558. Warranties 998

TRAVELER'S CHECKS
§1559. Traveler's checks 998

TRUST COMPANIES
§1560. Powers and liabilities 999
§1561. Merger 1000

TRUST RECEIPTS
§1562. Trust receipts 1000

TRUSTEES

UNEMPLOYMENT COMPENSATION
§1562.1. Employees of national banks 1004

UNIFORM COMMERCIAL CODE
§1562.5. Uniform commercial code 1004

UNINCORPORATED ASSOCIATIONS
§1563. Liability of officers on note 1004

USURY
§1564. What constitutes usury 1004
§1565. —Transactions held not usurious 1009
§1566. —Computing on 360-day basis 1014
§1567. —Interest in advance 1015
§1568. —Bonds issued below par 1016
§1569. —Commission, bonus, expenses, etc. 1016
§1570. —Bank holding back part of loan 1018
§1571. —Assignment of legacy 1018
§1572. —Sale of note 1018
§1573. —Note sold by broker 1018

Page

§1574. —Where rate reduced by statute 1019
§1575. —Where loan extended or renewed 1019
§1576. —Discount of accommodation note at usurious rate 1019
§1577. —Loans by national banks 1020
§1578. Usury a defense between original parties 1020
§1579. Usury as a defense against holder in due course 1021
§1580. —Where holder a bank 1021
§1581. Injunction against transfer of note 1021
§1582. Right of corporation to plead usury 1021
§1583. Penalties for usury 1022
§1584. Penalties against national banks 1024
§1585. —Who may recover 1025
§1586. —Amount recoverable 1025
§1587. —State laws not applicable 1026
§1588. Massachusetts usury statute 1026
§1589. Conflict of laws 1026
§1589.1. Waiver of defense of usury 1027

VOUCHER CHECKS
§1590. Negotiability of voucher check 1027

WAR REVENUE STAMPS 1027

WAR SAVINGS STAMPS
§1591. Detaching stamps 1028

WAREHOUSE RECEIPTS
§1592. Validity 1028
§1593. Negotiability 1028
§1594. Effect of transfer 1029
§1595. Rights of bona fide holder 1029
§1596. Receipts issued through fraud or mistake 1029
§1597. Indemnity where receipt lost 1030
§1598. Liability of warehouse company for negligence 1030
§1599. Delivery of goods without taking up receipt 1030
§1600. Duty of bank receiving receipt to give notice 1031
§1600.5. Duty of bank handling warehouse receipts 1031

WILLS
§1601. Testamentary capacity 1031
§1602. Will written in lead pencil 1031
§1603. Non-intervention will 1031
§1604. Signature and execution 1031
§1605. Attestation 1032
§1606. Revocation of will 1033
§1607. Construction and validity of will 1033
§1608. —Provisions creating trusts 1034
§1609. Legacies 1035
§1610. Codicil 1037
§1611. Disposition of property 1037
§1612. —Gifts to subscribing witnesses 1037
§1613. —Rights of afterborn children 1037
§1614. Attorneys 1038
§1615. Power of bank to act as custodian of will 1038
§1616. Agreement not to contest will 1038
§1617. Verbal agreement to make bequest 1038

WORKMEN'S COMPENSATION
§1618. Compensable injuries 1038